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A2A - EDF: Preliminary agreement found

Preliminary agreement reached for the acquisition of Edison by EDF and the acquisition of Edipower by A2A. Emergence of two energy champions in Italy

A2A, EDF, Delmi, Edison and Iren have today reached an agreement in principle for the shareholding reorganisation of Edison and Edipower.

EDF intends to acquire a 50% stake in TdE from Delmi¹, a holding company controlled by A2A. TdE (jointly owned by Delmi, 50% and EDF, 50%) holds a 61.3% interest in Edison. As a result of the acquisition, EDF would hold 80.7%² of the share capital of Edison. The implied Edison share price of the acquisition of the 50% stake in TdE is Euro 0.84. The acquisition is subject to confirmation by the Consob that the price of the mandatory public tender offer, resulting from the acquisition of 50% of TdE by EDF, does not exceed Euro 0.84 per Edison share.

Delmi, in turn, intends to acquire from Edison and Alpiq, a 70% stake in Edipower (of which 50% from Edison and 20% Alpiq). The 50% and 20% stakes in Edipower held by Edison and Alpiq would be acquired by Delmi for approximately 600 million euros and 200 million euros respectively. The total amount is equal to the price paid by EDF for the TdE shares plus 100 million euros. As a result of the acquisition, Edipower would be wholly owned by Delmi (70%), A2A (20%) and Iren (10%).

Edison and Edipower would enter into a contract for the supply of gas at market terms by Edison to Edipower which would cover a minimum of 50% of Edipower's needs for the next 6 years.

The agreement is subject to the approval by the corporate bodies of A2A, EDF, Delmi, Edison and Iren which should occur no later than January 31st, 2012 and will be effective from the latest of these approvals. It will also be subject to final documentation, the review by workers councils and the appropriate regulatory and anti-trust approvals. The final contracts will need to be signed no later than February 15th, 2012.

This transaction represents a key juncture in the partnership started in 2005 with the joint acquisition of Edison by A2A (and the other shareholders of Delmi) and EDF. This agreement will allow the emergence of two energy champions in Italy which thanks to their stabilized organisation and a relaunch of their activity will contribute to the recovery of the growth of the Italian economy, generating value for all the country and providing a new impetus to the Italian economic fabric.

¹ Delmi is controlled by A2A and owned by Iren, Dolomiti Energia, Sel, Mediobanca, Fondazione CRT and Banca Popolare di Milano

² Based on ordinary shares outstanding, excluding non voting savings shares

The EDF Group, one of the leaders in the European energy market, is an integrated energy company active in all areas of the business: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydraulic production facilities where 95% of the electricity output is CO2-free.

EDF's transmission and distribution subsidiaries in France operate 1,285,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to approximately 28 million customers in France. The Group generated consolidated sales of € 65.2 billion in 2010, of which 44.5% was achieved outside of France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.



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